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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
230 SOUTH DEARBORN ST.
CHICAGO, ILLINOIS 60604

REPLY TO THE ATTENTION OF:

15 OCT 1987

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CERTIFIED MAIL
RETURN RECEIPT REQUESTED

DENNISTON CHEMICAL
440 DENNISTON
WHEELING, IL 60090

Re: American Chemical Services
Griffith, Indiana
Special Notice of Potential Liability

Dear Sir or Madam:

On August 18, 1987, the United States Environmental Protection Agency (U.S. EPA) mailed to Mr. Andrew A. Perellis, Chairman of the American Chemical Services (ACS) Steering Committee, a letter which informed Mr. Perellis that the ACS Potentially Responsible Party (PRP) group had sixty (60) days within which to submit to U.S. EPA a "good faith" proposal for conducting a privately funded Remedial Investigation/Feasibility Study (RI/FS) at the ACS site. U.S. EPA's letter further stated that if such a "good faith" proposal was not received by U.S. EPA within the 60 calendar day period, U.S. EPA would proceed to perform the RI/FS at the ACS site using public funds available to U.S. EPA.

U.S. EPA's decision to send its August 18, 1987 letter to only Mr. Perellis was based upon the fact that U.S. EPA had been informed that the ACS PRPs had organized themselves into a single representative group and that Mr. Perellis was Chairman of the group. However, in response to U.S. EPA's August 18, 1987 letter, Mr. Perellis has notified U.S. EPA that he does not represent all of the PRPs which U.S. EPA has presently identified for the ACS site. In addition, Mr. Perellis has informed U.S. EPA that although he planned to forward U.S. EPA's letter to the ACS PRPs who had expressed an interest in participating in a privately funded RI/FS at the ACS site, Mr. Perellis did not feel that transmittal to him of U.S. EPA's August 18, 1987 letter satisfied U.S. EPA's notice requirements

under Section 122(e) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601 et seq., as amended by the Superfund Amendments and Reauthorization Act of 1986, Public Law 99-49 (CERCLA).

To avoid any confusion, and to ensure that all presently identified ACS PRPs are notified of the time period within which U.S. EPA will consider a "good faith" proposal for a privately funded RI/FS at the ACS site, U.S. EPA has decided to issue this special notice letter to all presently identified ACS PRPs pursuant to Section 122(e) of CERCLA.

Therefore, pursuant to Section 122(e)(1) of CERCLA, upon your receipt of this letter, you will have a maximum of sixty (60) days to present to U.S. EPA a "good faith" proposal for conducting a privately funded RI/FS at the ACS site. Your good faith proposal must include a definite start time and time lines for implementing and conducting the following activities at the ACS site:

1. A Remedial Investigation to identify the local hydro-geological characteristics and define the nature, extent and present and potential migratory pathways of the soil, air, ground and surface water contamination at the site, and
2. A Feasibility Study to develop and evaluate possible remedial actions to remove or contain hazardous substances, pollutants and contaminants at the site.

During this sixty (60) day calendar period, U.S. EPA will not commence the RI/FS at the ACS site. If you, or a group of ACS PRPs, provide U.S. EPA with a written "good faith" proposal with a definite start time and time line for implementing the RI/FS at the ACS site and if this proposal is received by U.S. EPA within the sixty day calendar period, the U.S. EPA will extend its moratorium on commencement of the RI/FS an additional thirty (30) calendar days. The purpose of this additional time is to allow the PRPs and U.S. EPA adequate time to finalize a settlement.

The U.S. EPA would like to encourage good faith negotiations among you, other PRPs and the Agency. To enable you to contact other ACS PRPs to discuss the possibility of a privately funded RI/FS at the ACS site, U.S. EPA has enclosed a list of the names and addresses of the other PRPs who are also receiving

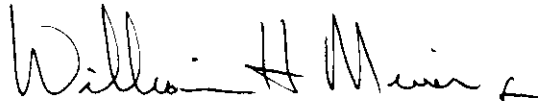
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this letter. U.S. EPA has previously provided you with a waste-in list and volumetric ranking for the ACS in its letter to you dated March 25, 1987.

As stated earlier, a group of identified ACS PRPs have organized themselves into a single representative body. U.S. EPA is currently engaging in negotiations with this group for a privately funded RI/FS at the ACS site. If you are interested in participating in a privately funded RI/FS for the ACS site, you should immediately contact Mr. Andrew Perellis, Esquire, of the law firm of Gessler, Flynn, Laswell, Fleischmann, Hughes & Socol, Ltd., Three First National Plaza, Suite 2300, Chicago, Illinois, 60602, or call him at (312) 580-0100.

Except in extraordinary circumstances explained in a written request, no extension of this sixty day period will be considered by U.S. EPA. If a "good faith" proposal is not received by U.S. EPA within sixty calendar days, U.S. EPA will proceed to perform the RI/FS utilizing public funds.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "William H. Merriam", is written over the typed name of Basil G. Constantelos.

Basil G. Constantelos, Director
Waste Management Division

cc: D. Steffeck, DOI
A. Carter, IDEM